



CITY OF MERIDEN CITY ECONOMIC DEVELOPMENT

Attention: Small Business Owners
Re: Small Business Loans

The city of Meriden Economic Development Office put together this resource information page for local businesses to better understand the currently available programs available on the City, State, and Federal levels. This page will be updated regularly as more information becomes available.

Restaurant and Bar Resources

- [Interim COVID-19 Food Protection & Service Guidance](#)
- [Restaurant Delivery and Curbside Pick-Up Service Guidance](#)

Building Cleaning

- [COVID19 Building Cleaning](#)

FEDERAL ASSISTANCE FOR COVID-19

1. LEGISLATION– There are over 130 bills that have been introduced in the 116th Congress that relate to COVID19.

Passed into law

PUBLIC LAW 116-123 (H.R.6074), titled: “Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020”. The programs funded by the bill address issues that include loans for affected small businesses. This bill provides \$8.3 billion in emergency funding for federal agencies to respond to the coronavirus outbreak.

PUBLIC LAW 116-123 (H.R. 6201), titled: “FAMILIES FIRST CORONAVIRUS RESPONSE ACT” – the bill under Division A, Title II includes \$5 million for the Department of Labor to administer the emergency paid sick days program. Under Division D - creates a new federal emergency paid leave benefits program as Title VI of the Social Security Act. Under Division E - provides \$1 billion in 2020 for emergency grants to states for activities related to processing and paying unemployment insurance (UI) benefits, under certain conditions.

The Act will take effect not later than 15 days after the date of its enactment.

Emergency Family and Medical Leave Expansion Act

From the effective date of the Families First Coronavirus Response Act through December 31, 2020:

- Eligible employees are entitled to take 12 workweeks of leave if they are unable to work due to a need for leave to care for the son or daughter under 18 years of age of such employee if the school or place of care has been closed, or the child care provider of such son or daughter is unavailable, due to COVID-19.
- To be eligible for this leave, an employee need only have been employed for at least 30 calendar days.
- The first 10 days of leave may be unpaid unless the employee elects to substitute available accrued vacation, sick or personal leave.
- After the initial 10 days, an employer must provide paid leave at a rate of 2/3 of the employee’s regular rate of pay for the number of hours the employee would otherwise be normally scheduled to work, but only up to \$200 per day and \$10,000 in total.

Emergency Paid Sick Leave Act

Under the Emergency Paid Sick Leave provisions of the law, full-time employees will be entitled to 80 hours of paid sick leave for certain qualifying reasons outlined below. Part-time employees will be eligible for paid leave for several hours equal to the number of hours that such employee works, on average, over 2 weeks.

The Paid Sick Leave is available where an employee is unable to work because:

1. The employee is subject to a Federal, State, or local quarantine or isolation order related to COVID-19.
2. The employee has been advised by a health care provider to self-quarantine due to concerns related to COVID-19.
3. The employee is experiencing symptoms of COVID-19 and seeking a medical diagnosis.
4. The employee is caring for an individual who is subject to order as described in subparagraph (1) or has been advised as described in paragraph (2).
5. The employee is caring for a son or daughter of such an employee if the school or place of care of the son or daughter has been closed, or the child care provider of such son or daughter is unavailable, due to COVID-19 precautions.
6. The employee is experiencing any other substantially similar condition specified by the Secretary of Health and Human Services in consultation with the Secretary of the Treasury and the Secretary of Labor.

Paid sick leave is calculated based on the employee's regular compensation, except that it is capped at \$511 per day and \$5,110 in the aggregate for a use described in sections (1), (2), or (3) above; and \$200 per day and \$2,000 in the aggregate for a use described in sections (4), (5), or (6) of section 5102(a). An employer may not require an employee to use other available paid leave before using this sick time.

Employers will be required to post a notice concerning this law in a conspicuous location. A model notice shall be prepared by the Secretary of Labor.

Bills

1. "The Main Street Emergency Grant Program" Provides Liquidity For Businesses To Support Fixed Costs, Payroll To Help Them Stay Afloat During Crisis – Senator Murphy
 - Grants would turn into loans that would have to be repaid if businesses failed to restore their payroll to 80% of prior levels within 12 months of the termination of the COVID-19 public health emergency unless the business can demonstrate a hardship that prevented them from doing so. The Main Street Emergency Grant Program also offers forgivable loans to midsize businesses who are experiencing similar losses. These loans would be forgivable if businesses restore their payrolls to 80% within 12 months of the termination of the COVID-19 public health emergency.

FINANCIAL ASSISTANCE – Capital Access and Taxes

a. SBA Loans

COVID-19 Disaster loans - The U.S. Small Business Administration is offering designated states and territories low-interest federal disaster loans for working capital to small businesses suffering substantial economic injury as a result of the Coronavirus (COVID-19). These loans (of up to \$2 million) may be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact. The interest rate is 3.75% for small businesses without credit available elsewhere; businesses with credit available elsewhere are not eligible. The interest rate for non-profits is 2.75%. SBA offers loans with long-term repayments to keep payments affordable, up to a maximum of 30 years. Terms are determined on a case-by-case basis, based upon each borrower's ability to repay. SBA has issued a directive for automatic deferments through December 31, 2020, for borrowers, still paying back SBA loans from previous disasters.

- More information on the SBA's Economic Injury Disaster Loans at [Small Business Guidance for businesses](#).
- [To apply for an SBA Economic Injury Disaster Loan webinar](#)
- [Step-by-step instructions on completing the loan application](#).

- i. **ii. Regular capital loans** - SBA provides many loan resources for small businesses to utilize when operating their business. For more information on loans or how to connect with a lender, visit: <https://www.sba.gov/funding-programs/loans>.

- a. **7(a) program** offers loan amounts up to \$5,000,000 and is an all-inclusive loan program deployed by lending partners for eligible small businesses within the U.S. States and its territories. The uses of proceeds include working capital; expansion/renovation; new construction; purchase of land or buildings; purchase of equipment, fixtures; leasehold improvements; refinancing debt for compelling reasons; a seasonal line of credit; inventory; or starting a business.
- a. **Express loan program** provides loans up to \$350,000 for no more than 7 years with an option to revolve. There is a turnaround time of 36 hours for approval or denial of a completed application. The uses of proceeds are the same as the standard 7(a) loan.
- a. **Community Advantage loan pilot program** allows mission-based lenders to assist small businesses in underserved markets with a maximum loan size of \$250,000. The uses of proceeds are the same as the standard 7(a) loan.
- a. **504 loan program** is designed to foster economic development and job creation and/or retention. The eligible use of proceeds is limited to the acquisition of eligible refinance of fixed assets.
- a. **Microloan program** involves making loans through nonprofit lending organizations to underserved markets. Authorized use of loan proceeds includes working capital, supplies, machinery & equipment, and fixtures (does not include real estate). The maximum loan amount is \$50,000 with the average loan size of \$14,000.
- i. **iii. Exporting Assistance** - SBA provides export loans to help small businesses achieve sales through exports and can help these businesses respond to opportunities and challenges associated with trade, such as COVID-19. The loans are available to U.S. small businesses that export directly overseas, or those that export indirectly by selling to a customer that then exports their products.
 - a. **Export Express loan program** allows access to capital quickly for businesses that need financing up to \$500,000. Businesses can apply for a line of credit or term note before finalizing an export sale or while pursuing opportunities overseas, such as identifying a new overseas customer should an export sale be lost due to COVID-19.
 - a. **Export Working Capital program** enables small businesses to fulfill export orders and finance international sales by providing revolving lines of credit or transaction-based financing of up to \$5 million. Businesses could use a loan to obtain or retain overseas customers by offering attractive payment terms.
 - a. **International Trade loan program** helps small businesses engaged in international trade to retool or expand to better compete and react to changing business conditions. It can also help to export firms to expand their sales to new markets or re-shore operations back to the U.S.

a. **IRS (TAXES)**

i. **Federal Tax Filing Extensions:** The Internal Revenue Service has extended the deadline for filing and payments to July 15, 2020. 2019 Taxpayers will get a three-month reprieve to file and pay the income taxes they owe up to \$1 million in tax Corporate filers would get the same length of time to pay amounts due on up to \$10 million in taxes owed. There is also guidance on the high deductible health plan and cost related to the COVID19. The IRS will continue to monitor issues related to the COVID-19 virus, and updated information will be posted on a special [coronavirus page on IRS.gov](#).

STATE OF CONNECTICUT - ASSISTANCE FOR COVID-19

The State of CT Department of Economic and Community Development - The state, working with its federal partners, has several programs and initiatives in place to assist businesses during this difficult period.

DECD's COVID-19 Business Emergency Response Unit: The Connecticut Department of Economic and Community Development (DECD) has created a COVID-19 Business Emergency Response Unit dedicated to assisting businesses to navigate resources and develop new resources. For specific questions related to small business, email the Joint Information Center at COVID19.JIC@ct.gov, or call the DECD small business hotline at 860-500-2333. Individuals can call 2-1-1 for more information. **For the most updated information, check ct.gov/coronavirus.com.** For information on business resources **DECD Portal**

1. **Legislation** There is no legislation pending at this time

1. Financial Assistance

a. DECD Direct Assistance

i. **Small Business Express Program:** This program provides loans and grants to Connecticut's small businesses to spur job creation and growth. The CT General Assembly passed a bill allowing businesses to utilize small business express loans to assist with paying business office rent.

DECD is also deferring all Small Business Express payments for three months to allow employers to focus on their payrolls. For small business assistance, please call DECD's business hotline at 860-500-2333. Details are on [DECD's website](#).

i. ii. **Small Business Express (Bridge) Loan program (NEW)**

Commissioner David Lehman announced that the State of CT would have a new program by next week that would help small businesses with cash flow problems caused by COVID19. The program would offer bridge loans that would cover approximately 3 months' worth of operating expenses. The loans would be potential 0-1% loans that would be paid back over a 12 to 18 month period. More details are to come on the program.

i. iii. **Economic and Manufacturing Assistance Act (MAA):** This act makes available low-interest loans and incentive-driven direct loans for projects when there is strong economic development potential. Funding may be used for the purchase of equipment, furniture and fixtures, construction, leasehold improvements, training, and other eligible project-related activities.

i. iv. **Minority Business Revolving Loan Fund:** This fund provides loans and lines of credit to Connecticut businesses owned by minorities and/or women. Through this program, eligible applicants can apply for term loans and lines of credit from \$10,000 to \$100,000 with a fixed interest rate of 4%.

a. **Department of Labor Programs: Unemployment Benefits** is temporary income for workers who are unemployed through no fault of their own and who are either looking for new jobs, in approved training or awaiting recall to employment. The funding for unemployment insurance benefits comes from taxes paid by employers. Workers do not pay any of the costs. To qualify for unemployment benefits, you must have earned sufficient wages during a specified time (monetary eligibility). To collect benefits, you must meet certain legal eligibility requirements. For more information on COVID-19 unemployment questions: <http://www.ctdol.state.ct.us/DOLCOVIDFAQ.PDF>

i. ii. **Shared Work** program to CT Business that offers an alternative to laying off of employees. The Shared Work Program helps to save jobs and retain skilled workers. The program allows employers to temporarily reduce employee hours and supplement lost wages with the help of partial unemployment benefits. Under the program, all employers with two or more employees can participate. When business upturns, employees resume regular hours and employers can ramp up quickly with an experienced team in place.

- For more information please Call 860.263.6660. People can also make inquiries by email: DOL.SharedWork@ct.gov

a. **Connecticut Insurance Department: Business Interruption Insurance:** A business interruption insurance policy should list or describe the types of events it covers. Events that are not described in the policy are typically not covered. It is important to review the policy exclusions, coverage limits, and applicable deductibles with your agent, broker or insurer. The Connecticut Insurance Department **has an FAQ that provides more information.**

a. Access Health Connecticut (AHCT)

AHCT is Connecticut's official health insurance marketplace is **now enrolling residents for healthcare coverage.** It was established to meet the requirements of the Affordable Care Act (known as Obamacare) and created to help people shop and enroll in the health insurance plan that is right for their needs. Based on their annual income, individuals can see what type of [Financial Help](#) is available to help them buy health insurance.

- The special enrollment period ends April 2nd. Connecticut residents can call 855.365.2428 to sign up for healthcare coverage.

a. **Other Statewide/Regional Lending Partners**

i. **Community Economic Development Fund (CEDF):** provides loans and technical assistance to Connecticut small business owners, primarily in low-to-moderate income communities, who are not able to obtain traditional bank financing.

ii. **Connecticut Community Investment Corporation (CTCIC):** provides access to capital that may not be available elsewhere as well as financing opportunities for expanding businesses looking to purchase real estate and/or machinery and equipment.

iii. **BDC Capital:** pools money from many financial institutions to share the risks of helping promising companies expand. BDC Capital provides financial assistance with loans, mezzanine and equity investments, guarantees, and financial services to businesses of every type and description.

a. **Other Statewide Small Business Help**

i. The **Women's Business Development Council (WBDC)** is converting its entrepreneurial programs and business counseling to virtual classrooms via Zoom or on-demand webinars. You can find all the information you need on the website, <https://ctwbdc.org>. WBDC is also prepared to assist clients who will apply for the SBA Small Business Disaster Relief Loan (hotlink). Please contact us at info@ctwbdc.org

The city of Meriden Assistance for COVID-19 – City Portal

The City of Meriden Emergency Hotline for small business 203-630-4151

[Hartford Healthcare Covid-19 Hotline](#) is To reach the 24-hour hotline, call [860.972.8100](tel:860.972.8100) or (toll-free) [833.621.0600](tel:833.621.0600), that will answer questions or concerns regarding the virus. Meriden Health officials are available to speak 7 days a week from 7:00 a.m. to-7:00 p.m.

1. **Legislation**

a. **Mayoral Order**

i. Meriden police officers, firefighters, emergency first responders, nurses, dental hygienists, and employees tasked with inspections related to the health of Meriden residents will have [expedited COVID-19 testing if they show symptoms of the virus](#).

ii. A list of [work safety procedures for City employees](#).

iii. [Closure of Body Care Facilities In Meriden](#) iv. [Mayor Announces Order Enforcing Occupancy Limits](#)

Financial Assistance – The City of Meriden does not offer financial assistance for disaster relief. Please see both Federal and State programs.

Economic Impact Assessment

The Department of Economic & Community Development (DECD) and the City of Meriden are surveying to better understand the economic impact on local businesses.

Please take the time today and fill out the "**Economic Injury Worksheet**" found online. Under the "Estimated Adverse Economic Impact," we are requesting businesses to calculate losses on a weekly time frame (Monday-Sunday). Please submit these on Monday morning each week. The worksheet will allow the State to have a better request for aid from the impact of the effects of the virus.

The file can be sent to confidentially to Tamesha Ortiz, Economic development Specialist, by email to tortiz@meridenct.gov

Sincerely yours,



Joseph Feest,
Economic Development Director